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INFO AMEMBASSY BONN

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E.O. 11652: XGDS-4 TAGS: ELAB, PINT, PO

SUBJ: NATIONAL LABOR CONGRESS BECOMES MAJOR POLITICAL ISSUE

REF: LISBON 5831 (DTG 261135Z AUG 76) (NOTAL)

SUMMARY: THE SOCIALISTS PROPOSAL FOR A NATIONAL LABOR CONGRESS TO REUNITE THE PORTUGUESE LABOR MOVEMENT WAS SOON ADOPTED BY THE COMMUNIST PARTY AS ITS OWN. THE PCP SEES SUCH A CONGRESS AS A METHOD OF LEGITIMATIZING ITS CONFIDENTIAL

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DISCREDITED PREDOMINANCE IN THE LABOR MOVEMENT AND IN THE

NATIONAL CONFEDERATION, INTERSINDICAL. THERE IS NOW A DEEP DIVISION AS TO THE TERMS UNDER WHICH THE LABOR CONGRESS SHOULD BE HELD. INTERSINDICAL IS CALLING FOR A CONGRESS ORGANIZED UNDER THE AUSPICES OF THE CONFEDERATION. IN WHICH NON-AFFILIATED UNIONS WOULD BE ALLOWED TO PARTICIPATE UNDER SEVERE RESTRICTIONS. IN CONTRAST, THE DEMOCRATIC UNIONS ARE CALLING FOR A CONGRESS ORGANIZED ON THE BASIS OF PARITY BETWEEN INTERSINDICAL AND THE DEMOCRATIC UNIONS. THE SOCIALISTS BELIEVE THAT THEY CAN CAPTURE A SUBSTANTIAL NUMBER OF BLUE COLLAR UNIONS - AND THE LABOR MOVEMENT -BY FACILITATING THE PARTICIPATION OF MANY MORE WORKERS IN UNION ELECTIONS. SOCIALIST UNION LEADERS HAVE A NEARLY IMPOSSIBLE TASK FACING THEM; HOWEVER, SHOULD THEY ATTEMPT TO CAPTURE BLUE COLLAR UNIONS WHILE THE GOVERNMENT IS TAKING MEASURES TO RESTORE PRODUCTIVITY AND LABOR DISCIPLINE. END SUMMARY

- 1. THE DEMOCRATIC UNIONS: A COHESIVE GROUP OF DEMOCRATIC UNIONS HAS GRADUALLY EMERGED FROM A SERIES OF TWO-DAY MEETINGS HELD IN COIMBRA DURING JUNE, JULY, AND AUGUST. FURTHER SESSIONS ARE PLANNED FOR SEPTEMBER 13-14.
 THE COMMON UNIFYING FACTOR OF THE GROUP WHICH IS PREDOMINANTLY SOCIALIST, BUT ALSO REPRESENTS A VARIETY OF OTHER POLITICAL CREEDS IS OPPOSITION TO PCP CONTROL OF INTERSINDICAL.
 MOST IMPORTANT OF THESE UNIONS ARE THE CLERICAL WORKERS (LISBON); BANK WORKERS (LISBON AND OPORTO); METALLURGICAL WORKERS (AVEIRO AND GUIMARAES); MERCHANT MARINE; TEACHERS (ALGARVE); WOOL WORKERS (LOCAL); JEWELRY WORKERS (LISBON); TRANSPORT WORKERS (SETUBAL AND LEIRIA); TELEPHONE OPERATORS (LISBON AND OPORTO); CERAMIC WORKERS (AVEIRO); ELECTRICAL WORKERS (CENTERAL REGION); BAKERS (FARO); JOURNALISTS (LOCAL); PRINTERS (LOCAL); AND INSURANCE WORKERS (LISBON).
- 2. SOCIALIST ATTITUDE TOWARD LABOR CONGRESS: CENTRAL ISSUE AT STAKE IS THE TERMS UNDER WHICH THE NATIONAL LABOR CONGRESS WILL BE HELD. ORIGINALLY PROPOSED BY THE SOCIALISTS, THE IDEA HAS BEEN ADOPTED AS THEIR OWN BY THE PCP AND INTERSINDICAL. EVEN SOCIALISTS ADMIT THAT ANY REUNIFIED LABOR MOVEMENT WITHOUT NEW UNION ELECTIONS FIRST WOULD ONLY LEGITIMATIZE COMMUNISTS INFLUENCE OVER LABOR. CONFIDENTIAL

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CONSEQUENTLY, THE SOCIALISTS ARE SEEKING TO IMPOSE CONDITIONS WHICH WILL PREVENT THE PCP FROM DOMINATING ANY JOINTLY HELD NATIONAL LABOR CONGRESS. ALTERNATELY, PS LEADERS WILL SEEK TO AVOID THE CONGRESS ALTOGETHER BY IMPOSING DEMOCRATIC CONDITIONS WHICH THE PCP CANNOT ACCEPT. THE PS LEADERS ARE ANXIOUS THAT BLAME FOR FAILURE TO HOLD THE CONGRESS - AND FOR THE RESULTING DIVIDED LABOR MOVEMENT - FALLS ON THE PCP.

- 3. INTERSINDICAL'S TACTICS: SOCIALISTS HAVE THE PROBLEM OF "PASSIVE MAJORITIES" IN UNIONS. EVEN IN UNIONS (MAINLY WHITE COLLAR) WHERE THE SOCIALISTS HAVE WON THE LEADERSHIP AS A RESULT OF UNION-WIDE ELECTIONS, THE PCP HAS SUCCEEDED IN HAMPERING AND, IN ISOLATED CASES, OVERTURNING THESE LEADERSHIPS IN SUBSEQUENT GENERAL ASSEMBLIES. WORKER TURNOUT FOR THE GENERAL ASSEMBLIES IS NORMALLY MUCH SMALLER THAN FOR ELECTIONS, AND SESSIONS ARE MORE VULNERABLE TO PCP DISRUPTIVE TACTICS AND ORGANIZATIONAL SKILLS. THE GENERAL ASSEMBLY OF THE LISBON CLERICAL WORKERS HELD LATE AUGUST IS A PRIME EXAMPLE OF HOW THE LEADERSHIP OF ONE OF THE MOST IMPORTANT SOCIALIST UNIONS WAS CENSURED BY A GENERAL ASSEMBLY FOR ITS IDENTIFICATION WITH THE X DEMOCRATIC UNIONS. THE UNION'S LEADERSHIP DENIED THAT THE GENERAL ASSEMBLY HAS THE POWER TO CENSURE AND INTENDS TO IGNORE THE CALL TO RESIGN.
- 4. ANOTHER TACTIC USED BY INTERSINDICAL INCLUDES THE RECENT FORMATION OF ADDITIONAL "PAPER" UNIONS E.G. UNIONS OF AGRICULTURAL WORKERS IN VARIOUS NORTHERN DISTRICTS. THESE UNIONS, COMPOSED OF A SCATTERING OF WORKERS, CLAIM TO REPRESENT THOUSANDS OF AGRICULTURALISTS. THEY JOINED INTERSINDICAL CONCURRENTLY WITH THE SUBMISSION OF THEIR REQUEST FOR OFFICIAL RECOGNITION. SUCH UNIONS WOUD HELP TO ENSURE THE PCP'S "MAJORITY" IN ANY LABOR CONGRESS.
- 5. INTERSINDICAL IS PLACING PRIMARY EMPHASIS, HOWEVER, ON DIVERTING "REFORMIST" ENERGIES INTO PREDETERMINED CHANNELS. IN RESPONSE TO THE LABOR CONGRESS PROPOSED BY THE DEMOCRATIC UNIONS, INTERSINDICAL IS PROPOSING TO HOLD A "SECOND NATIONAL LABOR CONGRESS" OPEN TO ALL UNIONS, WHETHER AFFILIATED OR NOT TO THE CONFEDERATION. THIS CONGRESS WOULD BE ORGANIZED SOLELY BY INTERSINDICAL, WITH THE WELL-PUBLICIZED PARTICIPATION OF A FEW NON-AFFILIATED UNIONS. A SERIES OF WELL-PUBLICIZED CONFIDENTIAL

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ORGANIZING SESSIONS FOR THIS CONGRESS IS BEING HELD IN EACH REGIONAL DISTRICT, LARGELY TO CREATE THE IMPRESSION OF WIDESPREAD NON-PARTISAN SUPPORT. THIS TACTIC ALSO UNDERMINES THE CALL OF THE DEMOCRATIC UNIONS FOR A CONGRESS ORGANIZED ON THE BASIS OF EQUAL REPRESENTATION BETWEEN THE NON-AFFILIATED UNIONS AND INTERSINDICAL. A VARIETY OF OTHER PROPOSALS HAVE BEEN FLOATED BY PCP-LED UNIONS, THE PROPOSALS ARE SIMILAR IN THEIR LOADING THE RULES DECISIVELY IN FAVOR OF INTERSINDICAL.

6. WHO REPRESENTS THE WORKERS? THERE ARE CURRENTLY A GREAT MANY CLAIMS AND COUNTERCLAIMS AS TO WHICH GROUP REALLY REPRESENTS PORTUGUESE WORKERS. INTERSINDICAL CLAIMS THAT

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THERE ARE 342 UNIONS IN PORTUGAL, OF WHICH 190 ARE AFFILIATED WITH THE CONFEDERATION, AND THAT THOSE 190 UNIONS INCLUDE 80 PERCENT OF PORTUGUESE WORKERS. INTERSINDICAL GLOSSES OVER THE FACT THAT MANY OF THESE UNION LEADERSHIPS WERE ELECTED BY TEN PERCENT OR LESS OF THE MEMBERSHIP. IT ALSO REFUSES TO PROVIDE SPECIFIC INFORMATION REGARDING AFFILIATED UNIONS AND THEIR MEMBERSHIPS.

7. INTERSINDICAL CLAIMS THAT 39 DEMOCRATIC UNIONS WHICH MET IN COIMBRA AUG 23-24 REPRESENTED ONLY 351,000 WORKERS, ABOUT CONFIDENTIAL

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17 PERCENT OF THE NON-AGRICULTURAL LABOR FORCE. THE DEMOCRATIC UNIONS RESPOND THAT THERE ARE SOME 385 UNIONS LEGALLY RECOGNIZED, MANY OF WHICH ARE SMALL LOCALS UNIDENTIFIED WITH EITHER FACTION. IN ADDITION, 39 OF THE 190 UNIONS WHICH ARE FORMALLY AFFILIATED WITH INTERSINDICAL SHOULD BE CONSIDERED AS OPPOSING THE DOMINANT PCP LINE IN THAT CONFEDERATION. THIS REASONING CONCLUDES THAT INTERSINDICAL'S LEADERSHIP HAS THE SUPPORT OF ONLY 150 UNIONS, A MINORITY OF ALL RECOGNIZED PORTUGUESE UNIONS.

8. THE NUMBER OF UNIONS, PER SE, IS NOT IMPORTANT. NEITHER SIDE DISPUTES THAT THE LEADERSHIPS OF NEARLY ALL OF THE SIZEABLE BLUE COLLAR - E.G. CIVIL CONSTRUCTION, METALLURGICAL WORKERS, TEXTILES - ARE INDISPUTEDLY IDENTIFIED WITH INTERSINDICAL, THUS ANY VOTING SYSTEM WEIGHTED SOLELY ON THE BASIS OF UNION MEMBERSHIP WOULD AUTOMATICALLY GIVE INTERSINDICAL CONTROL OF THE RESULTING CONFEDERATION.

9. SOCIALIST STRATEGY: AS INTERSINDICAL'S CONTROL OF THESE MAJOR BLUE COLLAR UNIONS IS BASED LARGELY ON NON-REPRESENTATIVE ELECTIONS, SOCIALIST STRATEGY IS TO PROMOTE LEGISLATION FACI-LITATING A MUCH HIGHER PERCENTAGE OF WORKER PARTICIPATION. THE SPECIAL LABOR ADVISOR TO THE PRIME MINISTER, PALAGIO MADUREIRA, TOLD LABATT AUG 26 THE PS PLANS LEGISLATION PERMITTING THE HOLDING OF UNION ELECTIONS DURING WORKING HOURS AT INDIVIDUAL FACTORIES, OR SPECIFYING THAT UNION ELECTIONS ARE NOT VALID IF 60 PERCENT OF THE WORKERS DO NOT PARTICIPATE. MADUREIRA BELIEVES INTERSINDICAL WOULD FIND IT DIFFICULT TO PUBLICLY OPPOSE THESE PRO-POSALS FOR INCREASING WORKER PARTICIPATION IN THE UNIONS. AND THAT THE LEADERSHIP RESULTING FROM SUCH ELECTIONS WOULD BE BOTH REPRESENTATIVE AND NON-COMMUNIST. THE DEMOCRATIC UNIONS MAKE MUCH OF THE FACT THAT THEIR MEETINGS ARE OPEN TO THE PRESS WHILE THOSE OF INTERSINDICAL ARE RIGOROUSLY RESTRICTED FROM THE MEDIA AND THE PUBLIC. INTERSINDICAL HAS ALSO REFUSED CHALLENGES TO DEBATE ON TELEVISION, THUS STRENGTHENING THE SUPPOSITION THAT IT WOULD OPPOSE MEASURES LEADING TO BROADER WORKER PARTICI-PATION IN UNION AFFAIRS.

10. COMMENT: IN CALLING FOR MEASURES TO INCREASE WORKER PARTICIPATION IN UNION ELECTIONS, THE SOCIALISTS AT LAST CONFIDENTIAL

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HAVE AN OFFENSIVE STRATEGY ENABLING THEM TO RESPOND TO INTERSINDICAL'S INITIATIVES. IT IS DOUBTFUL, HOWEVER, THAT SOCIALISTS WOULD BE ABLE TO CAPTURE CONTROL OF MAJOR BLUE

COLLAR UNIONS AT THE SAME TIME THAT THE SOCIALIST GOVERNMENT IS IMPOSING THE LABOR DISCIPLINE AND THE ECONOMIC MEASURES GENERALLY RECOGNIZED AS NECESSARY TO REVITALIZE THE NATIONAL ECONOMY. THIS IS A DIFFICULT DILEMMA FOR SOARES AND HIS GOVERNMENT. CARLUCCI

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